

DECLARATION OF ELIZABETH HERTEL

I, Elizabeth Hertel, pursuant to 28 U.S.C. § 1746, declare that the following is true and correct:

1. I am a resident of the State of Michigan. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I have served as the Director at MDHHS for four years, and in this role, I oversee a vast array of public health services in Michigan, including coordination with the state's 45 independent local health departments. In this role, I work with local, state, and federal partners to develop and implement public health policies.

3. MDHHS recently received termination notices for grants out of five (5) federal funding sources from the U.S. Department of Health and Human Services.

4. Specifically, three (3) of the terminations were sent by the Centers for Disease Control and Prevention (CDC). The titles of these terminated federal award projects are:

- a. "CDC-RFA-IP19-1901 Immunization and Vaccines for Children,"
- b. "CK19-1904 Epidemiology and Laboratory Capacity for Prevention," and
"Control of Emerging Infectious Diseases (ELC) – Michigan," and
- c. "National Initiative to Address COVID-19 Health Disparities Among Populations at High-Risk and Underserved, Including Racial and Ethnic Minority Populations and Rural Communities."

5. Two (2) of the terminations were sent by the Substance Abuse and Mental Health Services Administration (SAMHSA). The title of these terminated federal award project are:

- a. “Substance Use Block Grant – ARP,” and
- b. “Mental Health Block Grant – ARP.”

6. The total value of the five (5) terminated federal award projects was \$1,237,343,884 with a remaining balance of **\$379,383,561**.

7. All terminations were “for cause” based on the end of the COVID pandemic, rather than failure of MDHHS to follow the terms or conditions of the grants.

Harm Caused by HHS’s Termination Notices

8. HHS’s process of issuing these termination notices of Award Terminations is highly irregular and inconsistent with normal practices. As to terminations by SAMHSA, this was done through unusually formal emails sent by an individual with whom the MDHHS program staff do not work. Some emails were sent outside of normal business hours. The initial emails lacked information regarding appeal rights, and some were followed up days later with appeal information.

9. MDHHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide the federal funding it had awarded to MDHHS. Not only do MDHHS staff and affiliates rely on this funding to perform their work and fund their salaries, but our local partners and vendors rely on these funds to continue performing critical public health services and activities. HHS’s abrupt termination of these federal funds has sent a panic throughout the State of Michigan. MDHHS has been flooded with questions from our subrecipients, vendors, employees, and community members about HHS’s same-day termination of funds, and the federal government has left the State of Michigan without answers.

10. As a result of HHS’s termination of these federal funding sources, critical public health services will be severely impacted. HHS’s termination of these federal funding sources

will cause harm not just to MDHHS as the state's public health agency, but to all 45 of Michigan's local health departments, 46 community mental health service programs, universities, and community-based organizations. These entities play a large role in providing direct health and public health services to Michigan residents. As of the date of this declaration, 339 of MDHHS's grants awarded to various public health entities are impacted by HHS's termination of federal funding. These cuts will result in a loss of \$82,415,331.07 for these subrecipients.

11. Additionally, 30 of MDHHS's contracts with vendors are impacted by HHS's termination of federal funding; these contracts support statewide public health services. This number does not include all of the contracts held by MDHHS's subrecipients across the state.

12. In addition to impacting critical public health programs and services, HHS's termination of funding will impact over 120 MDHHS employees and affiliates who perform important functions to keep Michigan residents informed and safe, including disease surveillance, harm reduction, health education, testing, and treatment. MDHHS staff and affiliates are now confused and scared by this abrupt cancelation of their funding; this has resulted in a shift from our normal operations to a focus on quickly evaluating all options to try to continue funding crucial positions and activities.

13. The termination of federal funds also impacts the ability of MDHHS and local governmental entities to procure new laboratory informatics systems necessary to provide critical public health laboratory services across the state. These terminations also significantly impact the Michigan Disease Surveillance System, which enables prompt response and containment of infectious disease and provides crucial protection from the most negative impacts of infectious disease on Michigan residents.

14. HHS's termination of funding will also eliminate infection prevention and control support in multiple long-term care facilities, effectively eliminating MDHHS's capacity to respond to healthcare-associated infections in health care facilities. This will result in an increase in infections in facilities and difficulties transferring patients with complex needs between hospitals and nursing homes, thus straining and already challenged system.

15. In addition to impacting critical public health programs and services, HHS's termination of funding will impact over 120 MDHHS employees and affiliates who perform important functions to keep Michigan residents informed and safe, including disease surveillance, harm reduction, health education, testing, and treatment. MDHHS staff and affiliates are now confused and scared by this abrupt cancelation of their funding; this has resulted in a shift from our normal operations to a focus on quickly evaluating all options to try to continue funding crucial positions and activities.

16. These terminations of federal funding sources will cause immediate harm to MDHHS, our local health departments, community partners, universities, schools, and residents of the State of Michigan. MDHHS has a legal duty to protect the public's health through organized programs and ensure that Michigan has an adequate local public health system that provides services to residents across the entire state. This abrupt loss of federal funding will put the public's health at risk for not only COVID-19, but for other infectious and communicable diseases as well.

Federal Award Project 1:
"CDC-RFA-IP19-1901 Immunization and Vaccines for Children" – CDC

17. The CDC intended for MDHHS to use the "CDC-RFA-IP19-1901 Immunization and Vaccines for Children" award to assist states and communities in establishing and maintaining preventive health service programs to immunize individuals against vaccine-

preventable diseases (including measles, rubella, poliomyelitis, diphtheria, pertussis, tetanus, hepatitis B, hepatitis A, varicella, mumps, haemophilus influenza type b, influenza, and pneumococcal pneumonia).

18. Over the course of several years, this federal award project has been the source of funds for multiple, distinct federal awards granted to MDHHS for different projects under this funding announcement. At the time of receipt of the termination of this funding source, there are nine (9) different awards that are sourced by these funds. A chart summarizing the project names, grant award dates, award amounts, and remaining balance is attached as **Exhibit A**.

19. The CDC produced a Notice of Award for each of these now terminated awards, setting forth the terms and conditions of each grant awarded.

20. Some of the Notices are silent as to when termination by the CDC would be permissible, while others incorporate the “CDC General Terms and Conditions for Non-research awards.” As of February 28, 2025, these terms state that termination by the CDC is permitted only under 45 C.F.R. Part 75.372.

21. Pursuant to 45 C.F.R. Part 75.372, (a) The Federal award may be terminated in whole or in part as follows:

- (1) By the HHS awarding agency or pass-through entity, if the non-Federal entity fails to comply with the terms and conditions of the award;
- (2) By the HHS awarding agency or pass-through entity for cause;
- (3) By the HHS awarding agency or pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
- (4) By the non-Federal entity upon sending to the HHS awarding agency or pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the HHS awarding agency or pass-through entity determines in the case of partial termination that the reduced or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, the HHS awarding

agency or pass-through entity may terminate the Federal award in its entirety.

22. Since the beginning of each grant period, MDHHS has used the “CDC-RFA-IP19-1901 Immunization and Vaccines for Children” grant funds in a manner fully consistent with the CDC’s statements regarding the nature of the grant and MDHHS’s grant application.

23. MDHHS has used these funds in a variety of ways to protect and promote public health. For example, this federal funding source supported staffing at the state and local levels, vaccination ordering, storage, and handling, vaccine clinics and increasing access to vaccines through community locations and immunization events, public and provider health education, media campaigns, translation services, data supporting, updating, and modernizing the state’s immunization information system, and providing immunization records to health care providers and residents.

24. As of March 24, 2025, the amount of funds remaining under this federal funding source totaled \$49,017,354. The performance end date for this source was intended to be June 30, 2027.

25. MDHHS planned to use these funds in a variety of ways to protect and promote public health. These funds were intended to be used to fulfill our legal obligations to our contracting partners, including local health departments, community-based organizations, and universities. A good portion of these funds were scheduled to be disbursed on a monthly basis to support local health departments, while others were promised in order to reimburse the costs incurred by our health care, academic and community partners. The funds were to support the public health activities mentioned above and would have saved local governments and taxpayers the burden of covering the costs of these critical public health services.

26. The remaining funds were going to be used to support Local Health Departments (LHDs) and Federally Qualified Health Centers (FQHCs) to provide and promote vaccinations for COVID-19, routine immunizations for adults and children, and seasonal respiratory viruses to vulnerable and underserved populations. Funding was also going to support a new educational module to make it easier for parents seeking non-medical exemptions to satisfy legal educational requirements, reducing burden on families and improving efficiency for LHDs.

27. Local health departments do not have routine access to the vaccination status of people living in their jurisdiction. These dollars supported sharing of census-tract level immunization data for COVID-19, influenza, and Measles Mumps and Rubella (MMR) with LHDs to aid them in response to disease outbreaks as well as informing their elected leaders about coverage trends.

28. These funds were also supporting contracts with 13 community-based organizations throughout the state to provide 1) COVID-19 and routine immunizations and 2) culturally tailored resources and information to communities that have been systematically had access issues including people experiencing homelessness, long term care facility residents, homebound and elderly, people with disabilities, uninsured or underinsured individuals, Rural communities and Racial and ethnic minorities.

29. This grant was being used to support the Michigan Care Improvement Registry (MCIR) Modernization Initiative, including about \$5,000,000 in IT costs and 14 MPH staff positions (annual staffing contracts cost totaling about \$2,700,000). The new Michigan Immunization Information System is 6 months into an 18-month modernization effort to migrate the data onto a newer, more sustainable data platform. The current system is homegrown and over 25 years old. The new platform would allow for timely and automated flow of information

between Michigan providers and public health practitioners around the state to inform decision making about vaccine preventable illness and inform patient care. The new system will also support Michigan residents' ability to access their own and their children's immunization records on their own terms.

30. MDHHS has a history of adequate performance relating to this federal award.

31. MDHHS has a history of receiving approval from the CDC to extend the funds for certain non-COVID-19 needs and services. The CDC recognized that investments in COVID-19 vaccine infrastructure provide a foundation for broad, systemic improvements in vaccine storage, access, staffing capacity, training, public and provider education, data availability, information management, and customer service. The benefits of these investments impact beyond just COVID-19. For example, these grants were permitted to fund staff and health care providers who performed work supporting the prevention of COVID-19 along with other infectious diseases, such as the measles or avian flu.

32. On March 25, 2025, without any prior notice or indication, the CDC informed MDHHS that effective March 24, 2025, its funding under "CDC-RFA-IP19-1901 Immunization and Vaccines for Children" was being terminated.

33. According to the Notice, the CDC's purported basis for the grant termination is "for cause." The only additional information or clarification provided is the allegation that "[t]hese grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out."

34. Prior to the grant award termination received on March 25, 2025, the CDC had never provided MDHHS with notice, written or otherwise, that activities performed under the grant administered by MDHHS was in any way unsatisfactory.

Federal Award Project 2:
“CK19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) - Michigan” – CDC

35. As set out in its guidance documents, the CDC intended for MDHHS to use the “CK19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) - Michigan” award to support necessary expenses to implement and oversee expanded testing capacity for COVID-19 and other infectious diseases by working with community partners, with an emphasis on serving medically-vulnerable populations and those who live in congregate settings (e.g., long-term care facilities, nursing homes, incarcerated settings). Additionally, these grants were intended to fund the establishment of modernized public health information systems to detect, track, and control serious public health threats like COVID-19. These funds support critical services to promote and ensure transparency about the spread of communicable diseases in order to inform and protect the public.

36. Over the course of several years, this federal award project has been the source of funds for multiple, distinct federal awards granted to MDHHS for different projects. At the time of receipt of the termination of this funding source, there are four (4) different awards that are sourced by these funds. A chart summarizing the project names, grant award dates, award amounts, and remaining balance is attached as Exhibit A.

37. The CDC produced a Notice of Award for each of these now terminated awards, setting forth the terms and conditions of each grant awarded.

38. Some of the Notices are silent as to when termination by the CDC would be permissible, while others incorporate the “CDC General Terms and Conditions for Non-research awards.” As of February 28, 2025, these terms state that termination by the CDC is permitted only under 45 C.F.R. Part 75.372.

39. Pursuant to 45 C.F.R. Part 75.372, (a) The Federal award may be terminated in whole or in part as follows:

- (1) By the HHS awarding agency or pass-through entity, if the non-Federal entity fails to comply with the terms and conditions of the award;
- (2) By the HHS awarding agency or pass-through entity for cause;
- (3) By the HHS awarding agency or pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
- (4) By the non-Federal entity upon sending to the HHS awarding agency or pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the HHS awarding agency or pass-through entity determines in the case of partial termination that the reduced or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, the HHS awarding agency or pass-through entity may terminate the Federal award in its entirety.

40. MDHHS was planning to seek an extension of all eligible grants awarded under this funding source from the CDC. These funds would have helped to fund Michigan’s public health workforce, support and modernize disease and laboratory data systems, procure technology and laboratory equipment for diagnosing diseases, make crucial upgrades to laboratory facilities, provide safety net supports to disadvantaged communities and protect Michigan residents from infectious diseases.

41. Since the beginning of each grant period, MDHHS has used the “CK19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious

Diseases (ELC) - Michigan” grant funds in a manner fully consistent with the CDC’s statements regarding the nature of the grant and MDHHS’s grant application.

42. MDHHS has used these funds in a variety of ways to protect and promote public health. For example, this federal funding source supported purchase of rapid and over the counter COVID-19 test kits which were provided directly to consumers, through schools, libraries, at welcome centers, community events, places of worship, shelters, confinement facilities, and nursing homes; the daily update of COVID-19 infections, hospitalizations, and death data, the use of disease modelling and forecasting to predict the trajectory of COVID-19; establishment of state and local infection prevention teams focused on patient safety in nursing homes and healthcare settings; state systems used to detect and track diseases; social supports for persons impacted by or exposed to COVID-19; procurement and shipment of mobile HEPA filtration systems to Michigan schools and nursing homes; and maintenance and training of Michigan’s public health workforce.

43. As of March 26, 2025, the amount of funds remaining under this federal funding sourced totaled \$288,597,031. The performance end date for this source was intended to be July 31, 2026.

44. MDHHS planned to use these funds in a variety of ways to protect and promote public health. The loss of these funds will eliminate infection prevention/control support in multiple long term care facilities (LTCFs) and other congregate settings across Michigan. This cut would effectively eliminate MDHHS’ and local health departments’ capacity to respond to healthcare associated infections, like the emerging *Candida auris*, in health care facilities. This will result in increase in infections in facilities and difficulties transferring patients with complex needs between hospitals and nursing homes, straining an already challenged system.

45. MDHHS was also intending to provide COVID-19 testing kits statewide (impacting 1021 sites including schools, libraries, LTCFs, Tribal health partners, shelters, migrant camps, FQHCs, etc.). This funding loss will result in elimination of direct COVID testing supports in 421 Long Term Care Facilities and Neighborhood Wellness Centers in low health care access areas. The funding was also going to support 362 testing events through May and 232 events monthly after May.

46. Activities in schools were to be funded with these ELC funds, including the work of 277 Health Resource Advocates (HRA) who provides front-line support for COVID-19 testing and reporting for K-12 schools across the state. This is a voluntary program for schools, including COVID-19 testing and COVID-19 related wellness services, such as mental health and wellness, health education, or nutrition as students return to normal learning environment.

47. These funds were being used to upgrade critical laboratory equipment needed as MDHHS Public Health Administration's (PHA) Bureau of Laboratories transitions to the new lab. Without this support, MDHHS will have to drastically reduce the availability of clinical testing and surveillance for respiratory pathogens and Mpox, including increased capacity for H5 avian influenza identification.

48. MDHHS was also providing this funding to multiple local health departments to support operations of Regional Labs – without these dollars we will need to cease operations for some to provide critical public health laboratory infrastructure across Michigan. Funding was also being used to upgrade these laboratories including a new room for Luce, Mackinac, Alger, Schoolcraft (LMAS) Health Department Laboratory; new safety equipment for the Western Upper Peninsula Health Department Laboratory; new arbovirus testing equipment in Saginaw County Health Department Laboratory; remodeling of the Oakland County Health Department

Laboratory; and instrument updates for the Northwest Michigan Department of Public Health Laboratory.

49. Michigan had used ELC dollars to create a robust statewide Wastewater Testing System. The loss of these funds will reduce that system by 75%, closing collection sites and laboratories, and reducing the areas of the state where disease can be detected through this mechanism. Currently 100% of our wastewater sites, staff, and laboratory capacity are funded by CDC's Epidemiology and Laboratory Capacity grant's Enhanced Detection and Enhanced Detection Expansion COVID supplementals. MDHHS has relied on academic partners, including Wayne State University, University of Michigan, Michigan State University, and Ferris State University, for wastewater surveillance and other supports. This funding cut would necessitate moving this project to other funding which would result in a 75-80% reduction in sites and lab capacity, as well as a 50% reduction in staff.

50. This funding was key for the once in a generation overhaul of PHA's largest data systems including the Michigan Disease Surveillance System (MDSS), Laboratory Information Management Systems (LIMS) – some of these costs would be put into CDC's Public Health Infrastructure Grant but there is a lot less money in that grant and we will lose other opportunities in non-communicable needs. Procurement for these projects are already underway, with vendors selected.

51. The MDSS Modernization Initiative includes about \$16,000,000 in technology costs and 5 Michigan Public Health Institute (MPHI) staff positions implicated (about \$1,000,000 annually for remaining 2.5-3 years of project). The MDSS enables prompt response and containment of infectious disease, providing crucial protection from the most negative impacts of infectious disease on Michiganders. The legacy MDSS is over 20 years old and

unable to adapt to the emerging demands and evolving health information technologies. As a result, local health department staff have a heavy administrative burden, taking time away from their ability to respond to public health emergencies, delaying their response. This is particularly alarming as we see increasing prevalence of diseases like measles and avian influenza which require prompt and comprehensive public health action. By forgoing modernization, not only will we waste the funds already invested, but we will accrue increasing costs associated with the maintenance of an outdated system which will grow exponentially as technology and workflows increasingly outpace it.

52. These funds were also going to aid in procuring a new laboratory informatics system to allow for health level version 7 (HL7) messaging with Michigan Disease Surveillance System (MDSS), clinical partners, and CDC for rapid messaging of laboratory results.

53. MDHHS has a history of adequate performance relating to this federal award.

54. MDHHS has a history of receiving approval from the CDC to leverage these funds for work to control other infectious diseases provided that there is a clear nexus between the work. The CDC has acknowledged that there is a clear nexus between COVID-19 testing, disease tracking, reporting, and prevention that have broad benefits to the Michigan public. Mobile HEPA filtration systems, for example, clean the air of COVID-19 particles, but also flu, Respiratory Syncytial Virus (RSV), allergens, and wildfire smoke. COVID-19 tests are now often inclusive of influenza and RSV. It has been accepted that infection prevention of COVID-19 in healthcare settings also better prepares settings for emerging superbugs. Enhancements to COVID-19 disease tracking and laboratory equipment also benefits the identification of foodborne outbreaks.

55. On March 25, 2025, without any prior notice or indication, the CDC informed MDHHS that effective March 24, 2025, its funding under “CK19-1904 Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) - Michigan” was being terminated.

56. According to the Notice, the CDC’s purported basis for the grant termination is “for cause.” The only additional information or clarification provided is the allegation that “[t]hese grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out.”

57. Prior to the grant award termination received on March 25, 2025, the CDC had never provided MDHHS with notice, written or otherwise, that activities performed under the grant administered by MDHHS was in any way unsatisfactory.

Federal Award Project 3:
“National Initiative to Address COVID-19 Health Disparities Among Populations at High-Risk and Underserved, Including Racial and Ethnic Minority Populations and Rural Communities.” (COVID-19 Health Disparities) – CDC

58. The CDC intended for MDHHS to use the “COVID-19 Health Disparities” award to improve testing and contact tracing capabilities; develop innovative mitigation and prevention resources and services; improve data collection and reporting; build, leverage, and expand infrastructure support; and mobilize partners and collaborators to advance health equity and address social determinants of health as they relate to COVID-19. Data illustrated that COVID-19 disproportionately affected some populations and placed them at higher risk, including those who are medically underserved, racial and ethnic minority groups, and people living in rural communities. These groups may experience higher risk of exposure, infection, hospitalization, and mortality. In addition, evidence shows that racial and ethnic minority groups and people

living in rural communities have disproportionate rates of chronic diseases that can increase the risk of becoming severely ill from COVID-19 and may also encounter barriers to testing, treatment, or vaccination. Grant funds were meant to enable states to work with populations at higher risk, underserved, and disproportionately affected to ensure resources are available to maintain and manage physical and mental health, including easy access to information, affordable testing, and medical and mental health care.

59. MDHHS was provided funding over several years through this federal award. A chart summarizing the project name, grant award date, award amount, and remaining balance is attached as Exhibit A.

60. The CDC produced a Notice of Award for this now terminated award, setting forth the terms and conditions of each grant awarded.

61. Some of the Notices are silent as to when termination by the CDC would be permissible, while others incorporate the “CDC General Terms and Conditions for Non-research awards.” As of February 28, 2025, these terms state that termination by the CDC is permitted only under 45 C.F.R. Part 75.372.

62. Pursuant to 45 C.F.R. Part 75.372, (a) The Federal award may be terminated in whole or in part as follows:

- (1) By the HHS awarding agency or pass-through entity, if the non-Federal entity fails to comply with the terms and conditions of the award;
- (2) By the HHS awarding agency or pass-through entity for cause;
- (3) By the HHS awarding agency or pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
- (4) By the non-Federal entity upon sending to the HHS awarding agency or pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the HHS awarding agency or pass-through entity determines in the case of partial termination that the reduced

or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, the HHS awarding agency or pass-through entity may terminate the Federal award in its entirety.

63. Since the beginning of each grant period, MDHHS has used the “COVID-19 Health Disparities” grant funds in a manner fully consistent with the CDC’s statements regarding the nature of the grant and MDHHS’s grant application.

64. MDHHS has used these funds in a variety of ways to protect and promote public health. For example, this federal funding source supported initiatives to address COVID-19 health disparities among populations at high-risk and underserved, including racial and ethnic minority populations and people living in urban and rural communities. To accomplish this, MDHHS has focused on four strategies: (1) resources and services, (2) data and reporting, (3) infrastructure support, and (4) partner mobilization. Activities included anything from conducting rapid needs assessment for behavioral health impacts of COVID and a statewide rural healthcare workforce capacity assessment to establishing Regional Health Equity Advisory Councils to develop, adopt, and implement region specific priorities, metrics, and strategies aimed at improving COVID-19.

65. MDHHS has used these funds to collaborate with partners to advance health equity and address social determinants of health as they relate to COVID-19 health disparities. MDHHS worked in partnership with local communities, public health, healthcare, and non-health sectors (e.g., housing, transportation, social service) to develop new mitigation and prevention resources and services to reduce COVID-19-related disparities among underserved and high-risk populations. Furthermore, MDHHS has worked to improve data collection and reporting for populations experiencing a disproportionate burden of COVID-19 to guide our response.

66. As of March 24, 2025, the amount of funds remaining under this federal funding sourced totaled \$1,697,324. The performance end date for this source was intended to be September 30, 2025.

67. MDHHS planned to use these funds in a variety of ways to protect and promote public health that it will now be unable to complete. Some of the activities MDHHS planned on funding with this federal source include the following: building the capacity to assess rural health outcome and disparity data and conduct a statewide rural healthcare workforce needs/capacity assessment; improving COVID-19 testing and care surveillance for individuals with intellectual, developmental and/or other disabilities; conducting supplemental analyses of the COVID-19 Recovery Survey; and partnering with the Michigan Local Health Department Academy of Science to standardize data collection.

68. MDHHS also planned to use these funds to sustain the six Regional Health Equity Advisory Councils to develop, adopt, and implement region specific priorities, metrics, and strategies aimed at improving COVID-19 and other health outcomes for Michigan's five racial ethnic minority populations.

69. MDHHS planned to develop a Community Health Worker Program within rural local public health departments, implement Family Support Programs in rural communities to improve health outcomes of children (i.e. vaccination rates), build a public health nursing infrastructure to engage with rural school districts, and conduct a comprehensive informatics infrastructure review in collecting COVID related data. Additionally, MDHHS planned to use these funds to build neighborhood testing sites' capacity to administer COVID-19 testing, secure Community Health Worker services, and initiate culturally sensitive engagement with tribal nations, including the formation of a Tribal Advisory Committee.

70. Five staff were fully funded through this federal grant, including the Regional Health Equity Advisory Councils' manager, health equity coordinator, program assistant, program coordinator, and media/communications coordinator.

71. MDHHS has a history of adequate performance relating to this federal award.

72. On March 25, 2025, without any prior notice or indication, the CDC informed MDHHS that effective March 24, 2025, its funding under "COVID-19 Health Disparities" was being terminated.

73. According to the Notice, the CDC's purported basis for the grant termination is "for cause." The only additional information or clarification provided is the allegation that "[t]hese grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out."

74. Prior to the grant award termination received on March 25, 2025, the CDC had never provided MDHHS with notice, written or otherwise, that activities performed under the grant administered by MDHHS was in any way unsatisfactory.

Federal Award Project 4:
"Substance Use Block Grant – ARP" – SAMHSA

75. As set out in its grant proposal, MDHHS intended to use the "Substance Use Block Grant – ARP," formally referred to as "Substance Abuse Prevention and Treatment Block Grant – ARPA Relief," to improve and enhance the SUD services array within the community to support underserved and marginalized populations such as pregnant women and women with dependent children; persons who inject drugs; persons using opioids or stimulant drugs associated with drug overdoses; persons at risk for HIV, TB, and hepatitis; persons experiencing

homelessness; persons involved in the justice system or child welfare system; and rural populations.

76. Over the course of several years, this federal award project has been the source of funds granted to MDHHS for different projects under this funding announcement. At the time of receipt of the termination of this funding source, there are a number of subawards funded with this source. A chart summarizing the project name, grant award date, award amount, and remaining balance is attached as Exhibit A.

77. SAMHSA produced a Notice of Award for each of these now terminated awards, setting forth the terms and conditions of each grant awarded.

78. Since the beginning of each grant period, MDHHS has used the “Substance Use Block Grant – ARP” grant funds in a manner fully consistent with SAMHSA’s statements regarding the nature of the grant and MDHHS’s grant application.

79. MDHHS has used these funds in a variety of ways to prevent and ameliorate the impacts of the pandemic on substance use and overdoses within the state. For example, this federal funding source supported mobile medication units, piloting engaging wellness projects for prevention of substance use, supporting engagement centers and sobering units, supporting implementation of the recovery capital assessment in recover residences, evaluation of evidence-based interventions, and supporting quality improvement and retention of substance use disorder staff.

80. As of March 24, 2025, the amount of funds remaining under this federal funding sourced totaled \$13,935,012.25. The performance end date for this source was intended to be September 30, 2025.

81. For all SAMHSA grants, MDHHS requests reimbursement monthly. The next draw down was scheduled to occur the week of April 14, 2025.

82. MDHHS has a history of adequate performance relating to this federal award and is following the guidelines set forth in SAMHSA's guidance dated May 18, 2021 related to allowable expenditures of these funds.

83. On March 24, 2025, without any prior notice or indication, SAMHSA informed MDHHS that effective March 24, 2025, its funding under "Substance Use Block Grant – ARP" was being terminated.

84. According to the Notice, SAMHSA purported basis for the grant termination is "for cause." The only additional information or clarification provided is the allegation that "[t]hese grants were issued for a limited purpose: To ameliorate the effects of the pandemic. The end of the pandemic provides cause to terminate COVID-related grants. Now that the pandemic is over, the grants are no longer necessary."

85. Prior to the grant award termination received on March 24, 2025, SAMHSA had never provided MDHHS with notice, written or otherwise, that activities performed under the grant administered by MDHHS was in any way unsatisfactory.

Federal Award Project 5:
"Mental Health Block Grant – ARP" – SAMHSA

86. As set out in its grant proposal, MDHHS intended to use the "Mental Health Block Grant – ARP", formally known as "Block Grants for Community Mental Health Services – ARP" to support an array of services for persons with serious mental illness or severe emotional disturbance, including children's services, crisis services, and evidence-based practices.

87. Over the course of several years, this federal award project has been the source of funds for multiple, distinct federal awards granted to MDHHS for different projects under this funding announcement. At the time of receipt of the termination of this funding source, there are two (2) awards that are sourced by these funds.

88. SAMHSA produced a Notice of Award for each of these now terminated awards, setting forth the terms and conditions of each grant awarded.

89. The Notice is silent as to when termination by SAMHSA would be permissible, except as it relates to the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7104(G)), as amended, and 2 C.F.R. PART 175.

90. Since the beginning of each grant period, MDHHS has used the “Mental Health Block Grant – ARP” grant funds in a manner fully consistent with SAMHSA’s statements regarding the nature of the grant and MDHHS’s grant application.

91. MDHHS has used these funds in a variety of ways to protect and promote public health. For example, this federal funding source supported training of the public behavioral health workforce in evidence-based practices, efforts to stabilize the public behavioral health workforce, support of crisis stabilization units, and supplemental services to persons with serious mental illness and severe emotional disturbance who continue to suffer from those conditions.

92. As of March 24, 2025, the amount of funds remaining under this federal funding sourced totaled \$26,004,330.20. The performance end date for this source was intended to be September 30, 2025.

93. For all SAMHSA grants, MDHHS requests reimbursement monthly. The next draw down was scheduled to occur the week of April 14, 2025.

94. MDHHS has a history of adequate performance relating to this federal award.

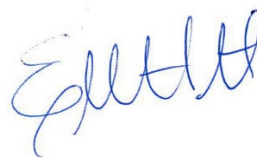
95. On March 24, 2025, without any prior notice or indication, SAMHSA informed MDHHS that effective March 24, 2025, its funding under “Mental Health Block Grant – ARP” was being terminated.

96. According to the Notice, SAMHSA purported basis for the grant termination is “for cause.” The only additional information or clarification provided is the allegation that “[t]hese grants were issued for a limited purpose: To ameliorate the effects of the pandemic. The end of the pandemic provides cause to terminate COVID-related grants. Now that the pandemic is over, the grants are no longer necessary.”

97. Prior to the grant award termination received on March 24, 2025, SAMHSA had never provided MDHHS with notice, written or otherwise, that activities performed under the grant administered by MDHHS was in any way unsatisfactory.

I declare under penalty of perjury under the laws of the United States that, to the best of my knowledge, the foregoing is true and correct.

Executed on March 31, 2025, in Ingham County, Michigan.



Elizabeth Hertel, Director
Michigan Department of Health & Human Services

Ex. A - Awards Received under Terminated Federal Funding Sources

| Federal Agency | Project Name | Federal Grant Award Document ID | Grant Award Dates | Federal Grant Award Amount | Federal Grant Remaining Balance |
|-----------------------|--|--|--------------------------|-----------------------------------|--|
| CDC | Epidemiology and Laboratory Capacity (ELC) Cares | 19NU50CK000510C3 | 04/23/2020 | \$ 16,185,611 | \$ 343,638 |
| CDC | Enhancing Detection | 19NU50CK000510C4 | 05/19/2020 | \$ 315,183,795 | \$ 57,260,504 |
| CDC | IPC Training & Community-Based Surveillance (fully spent) | 19NU50CK000510CV | 05/28/2020 | \$ 2,286,310 | \$ 452,932 |
| CDC | Enhancing Detection Expansion | 19NU50CK000510EDEXC5 | 01/14/2021 | \$ 574,827,340 | \$ 230,539,957 |
| CDC | Immunization | 19NH23IP922635C3 | 06/30/2020 | \$ 4,321,333 | \$ 510,613 |
| CDC | Immunization | 19NH23IP922635IISC5 | 06/27/2024 | \$ 835,835 | \$ 835,835 |
| CDC | Immunization | 20NH23IP922635C3 | 09/23/2020 | \$ 10,009,717 | \$ 392,831 |
| CDC | Immunization | 20NH23IP922635C5 | 01/05/2021 | \$ 94,618,379 | \$ 7,518,987 |
| CDC | Immunization | 20NH23IP922635C6 | 03/31/2021 | \$ 51,436,669 | \$ 5,859,759 |
| CDC | Immunization | 20NH23IP922635IISC5 | 01/03/2024 | \$ 1,858,686 | \$ 1,858,686 |
| CDC | Immunization | 20NH23IP922635IISC6 | 09/02/2022 | \$ 2,044,272 | \$ 1,738,720 |
| CDC | Immunization | 20NH23IP922635UDSPC5 | 06/22/2021 | \$ 34,424,493 | \$ 30,301,376 |
| CDC | Immunization | 20NH23IP922635VWCC6 | 05/03/2021 | \$ 7,331,981 | \$ 547 |
| CDC | COVID Health Disparities- State, Tribal, Local, Territorial | 21NH75OT000078C5 | 05/28/2021 | \$ 31,809,443 | \$ 1,829,833 |
| SAMHSA | Mental Health COVID Round 2 Grant /ARP Supplemental | 21B1MICMHSC6/B09SM085363 | 05/17/2021 | \$ 41,913,705 | \$ 25,218,993 |
| SAMHSA | MHBG COVID Mitigation Testing | 21B3MICMHSC6/B09SM085891 | 08/10/2021 | \$ 1,442,405 | \$ 785,338 |
| SAMHSA | Substance Abuse Prevention COVID CRF Grant /ARP Supplemental | 21B1MISAPTC6/B08TI083947 | 05/17/2021 | \$ 45,374,413 | \$ 12,495,515 |
| SAMHSA | Substance Abuse Testing - COVID ARP | 21B3MISAPTC6/B08TI084587 | 08/10/2021 | \$ 1,439,497 | \$ 1,439,497 |